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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Budget for the United Nations Logistics Base at Brindisi for the period from 1 July 2004 to 30 June 2005

Report of the Secretary-General

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Summary

The present report contains the budget for the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 2004 to 30 June 2005, which amounts to $28,799,700.

The budget provides for the deployment of 37 international staff and 114 national staff.

The total resource requirements for the Logistics Base for the financial period from 1 July 2004 to 30 June 2005 have been linked to the Base's objective through a results-based framework under a support component.

Financial resources

(Thousands of United States dollars. Budget year is from 1 July to 30 June.)

Category	*Expenditures (2002/03)*	*Apportionment (2003/04)*	*Cost estimates (2004/05)*	*Variance*	
				Amount	*Percentage*
Military and police personnel	—	—	—	—	—
Civilian personnel	6 863.9	7 091.3	11 008.7	3 917.4	55.2
Operational costs	7 583.6	15 116.8	17 791.0	2 674.2	17.7
Gross requirements	**14 447.5**	**22 208.1**	**28 799.7**	**6 591.6**	**29.7**
Staff assessment income	1 086.9	1 258.5	1 695.1	436.6	34 7
Net requirements	**13 360.6**	**20 949.6**	**27 104.6**	**6 155.0**	**29.4**
Voluntary contributions in kind (budgeted)	—	—	—	—	—
Total requirements	**14 447.5**	**22 208.1**	**28 799.7**	**6 591.6**	**29.7**

Human resources

	Military observers[a]	*Military contingents*[a]	*Civilian police*[a]	*Formed police units*[a]	*International staff*	*National staff*[b]	*United Nations Volunteers*	*Government-provided personnel*	*Civilian electoral observers*	*Total*
Support										
Approved 2003/04	—	—	—	—	37	99	—	—	—	**136**
Proposed 2004/05	—	—	—	—	37	114	—	—	—	**151**
Net change	—	—	—	—	—	**15**	—	—	—	**15**

[a] Represents highest level of authorized/proposed strength.
[b] Includes national officers and national General Service staff.

The actions to be taken by the General Assembly are set out in section V of the present report.

I. Mandate and planned results

1. The United Nations Logistics Base at Brindisi, Italy, has been in operation since late 1994 under a rent-free arrangement with Italy. The memorandum of understanding regarding the use by the United Nations of the facilities was signed by the Secretary-General and Italy on 23 November 1994 and was amended on 7 December 2001.

2. The overall objective for the Logistics Base is to ensure effective and efficient peacekeeping operations.

3. Within this overall objective, the Logistics Base will, during the budget period, contribute to one expected accomplishment by delivering related key outputs, shown in the framework below. The indicators of achievement show a measurement of progress towards such accomplishment during the budget period. The framework has been presented along five programmatic lines, namely, maintenance of assets and facilities, supply and warehousing, communication and information technology, training and air operations.

4. As compared to the period 2003/04, the presentation of the budget along five programmatic lines has been limited to the framework only, while the financial requirements have been shown at the aggregate level. The reason for this aggregation is that instead of each programme being a separate entity there are significant cross-subsidies between the five programmes, making it very difficult for the Logistics Base to split and justify the financial requirements for each programme.

Component: support

Expected accomplishments	*Indicators of achievement*	
1. Increased efficiency and effectiveness in conducting, managing, directing and supporting peacekeeping operations	1.1	100% availability of stocks for one complex mission
	1.2	Shipment processing time from Headquarters materiel release order to dispatch reduced from 60 days in 2003/04 to 30 days in 2004/05. Target: 20 days in 2005/06
	1.3	Trans-shipment stocks minimized to holding period of 90 days
	1.4	Availability of worldwide communication and information technology network for peacekeeping operations increased from 99.5% (2003/04) to 99.6% (2004/05). Target: 99.7% (2005/06)

Outputs

Maintenance of assets and facilities

- Maintained 49 buildings, 16 soft wall shelters and 365,705 m^2 open storage area
- Refurbished 55% of 11 km of roadways in the base
- Maintained strategic deployment stocks fleet of 1,190 vehicles and 350 generators to warranty standards
- Maintained United Nations Logistics Base vehicle fleet of 118, consisting of light, medium and heavy forklifts, trucks, trailers, sedans and delivery vans at 95% readiness state
- Commissioned San Prancrazio depot with dehumidified shelters for long-term storage of strategic deployment stocks vehicle fleet
- New Galileo-based inventory management system incorporated for United Nations reserve and strategic deployment stocks

Supply and warehousing programme

- 12,000 tons of goods shipped by sea/air/land
- 200 sea containers refurbished and certified for seaworthiness

Communication and information technology

- Maintained worldwide communication and information technology networks for peacekeeping missions and headquarters, including provision of worldwide voice, video and data network
- Handled 22,000 mission communication and information technology support calls
- System integration of 1 rapid deployment tele-system for a complex mission and 9 mobile deployable tele-system (MDTS VAN) carried out

- Maintained the following systems:

  – 4 global system mobile (GSM) cellular sites

  – 37 satellite trailers

  – 6 complete broadcast studios/transmitter combination

  – 1 digital trunking system

  – 1 transportable traffic control tower for airport

Training

- Managed 110 courses for 1,500 participants for Logistics Support Division/Department of Peacekeeping Operations
- Maintained 12 training centre facilities with a capacity of 250 participants

Air operations

- Handled 150 aircraft movements

External factors

Suppliers will provide goods and services as contracted

Continuing Italian Government support

Table 1
Human resources: support component

	International staff										
	USG -ASG	*D-2 -D-1*	*P-5 -P-4*	*P-3 -P-1*	*Field Service*	*General Service*	*Security Service*	**Subtotal**	*National staff*[a]	*United Nations Volunteers*	**Total**
Office of Administration											
Approved 2003/04	—	1	4	3	3	—	—	**11**	26	—	**37**
Proposed 2004/05	—	1	5	2	3	—	—	**11**	29	—	**40**
Net change	—	—	**1**	**(1)**	—	—	—	—	**3**	—	**3**
Supply and Warehousing Unit											
Approved 2003/04	—	—	1	2	2	—	—	**5**	27	—	**32**
Proposed 2004/05	—	—	1	2	2	—	—	**5**	30	—	**35**
Net change	—	—	—	—	—	—	—	—	**3**	—	**3**
Training Unit											
Approved 2003/04	—	—	—	—	—	—	—	—	3	—	**3**
Proposed 2004/05	—	—	—	—	—	—	—	—	3	—	**3**
Net change	—	—	—	—	—	—	—	—	—	—	—
Maintenance of Assets and Facilities Unit											
Approved 2003/04	—	—	2	—	5	—	—	**7**	28	—	**35**
Proposed 2004/05	—	—	2	—	5	—	—	**7**	34	—	**41**
Net change	—	—	—	—	—	—	—	—	**6**	—	**6**
Communication and Information Technology Unit											
Approved 2003/04	—	—	1	1	10	—	—	**12**	15	—	**27**
Proposed 2004/05	—	—	1	1	10	—	—	**12**	17	—	**29**
Net change	—	—	—	—	—	—	—	—	**2**	—	**2**
Air Operations Unit											
Approved 2003/04	—	—	—	1	1	—	—	**2**	—	—	**2**
Proposed 2004/05	—	—	—	1	1	—	—	**2**	1	—	**3**
Net change	—	—	—	—	—	—	—	—	**1**	—	**1**
Total											
Approved 2003/04	—	1	8	7	21	—	—	**37**	99	—	**136**
Proposed 2004/05	—	1	9	6	21	—	—	**37**	114	—	**151**
Net change	—	—	**1**	**(1)**	—	—	—	—	**15**	—	**15**

[a] Includes national officers and national General Service staff.

5. The following re-classifications are proposed in the budget:

(a) Chief, Civilian Personnel Officer, from P-3 to P-4, owing to greater delegation of authority from Headquarters. The proposed upgrade will also synchronize the level of this post with other small to medium-sized missions;

(b) Legal Officer, from P-2 to P-3, owing to an increase in responsibilities which will include providing advice to the Chief Administrative Officer on substantive and procedural questions regarding human resource management, procurement and contracts as well as matters concerning the relations of the Logistics Base with the host Government;

(c) Chief, Information Technology Unit, from P-2 to P-3. As the Base has become a global hub for communications and information technology support to other peacekeeping missions, the competencies and responsibilities required to manage the services have increased.

6. In addition, the budget contains a proposal to regularize 15 individual contractors that are under operational costs in the financial period 2003/04 into 15 national posts (fixed-term under the 100 series of the Staff Rules) in the areas of finance, procurement, personnel, transport, engineering, air operations and communications. An overall survey by the Department of Peacekeeping Operations revealed that these posts are core functions on a continuous basis for which the current individual contracts are not appropriate.

II. Resource requirements

A. Overall

(Thousands of United States dollars. Budget year is 1 July to 30 June.)

Category	*Expenditures (2002/03)*	*Apportionment (2003/04)*	*Cost estimates (2004/05)*	*Variance*	
				Amount	*Percentage*
	(1)	*(2)*	*(3)*	*(4)=(3)-(2)*	*(5)=(4)÷(2)*
Military and police personnel					
Military observers	—	—	—	—	—
Military contingents	—	—	—	—	—
Civilian police	—	—	—	—	—
Formed police units	—	—	—	—	—
Subtotal	—	—	—	—	—
Civilian personnel					
International staff[a]	3 051.9	2 889.0	4 700.0	1 811.0	62.7
National staff[b]	3 812.0	4 202.3	6 308.7	2 106.4	50.1
United Nations Volunteers					
Subtotal	**6 863.9**	**7 091.3**	**11 008.7**	**3 917.4**	**55.2**
Operational costs					
General temporary assistance	—	59.0	59.0	—	—
Government-provided personnel	—	—	—	—	—
Civilian electoral observers	—	—	—	—	—
Consultants	5.2	50.0	242.0	192.0	384.0
Official travel	281.5	325.2	302.6	(22.6)	(6.9)
Facilities and infrastructure	2 730.6	4 320.2	6 048.0	1 727.8	40.0
Ground transportation	1 028.4	1 609.3	1 867.5	258.2	16.0
Air transportation	—	—	—	—	—
Naval transportation	—	—	—	—	—
Communications	1 142.0	5 218.1	4 658.3	(559.8)	(10.7)
Information technology	1 004.6	2 391.7	3 559.6	1 167.9	48.8
Medical	25.8	102.8	200.0	97.2	94.6
Special equipment	—	—	—	—	—
Other supplies, services and equipment	1 365.5	1 040.5	854.0	(186.5)	(17.9)
Quick-impact projects					
Subtotal	**7 583.6**	**15 116.8**	**17 791.0**	**2 674.2**	**17.7**
Gross requirements	**14 447.5**	**22 208.1**	**28 799.7**	**6 591.6**	**29.7**
Staff assessment income	1 086.9	1 258.5	1 695.1	436.6	34.7
Net requirements	**13 360.6**	**20 949.6**	**27 104.6**	**6 155.0**	**29.4**
Voluntary contributions in kind (budgeted)	—	—	—	—	—
Total requirements	**14 447.5**	**22 208.1**	**28 799.7**	**6 591.6**	**29.7**

[a] Cost estimates for 2004/05 are inclusive of a 10% vacancy rate compared to a 15% vacancy rate applied in 2003/04.
[b] Cost estimates for 2004/05 are inclusive of a 5% vacancy rate as applied in 2003/04.

B. Non-budgeted contributions

Category	*Estimated value (Thousands of US dollars)*
Memorandum of understanding[a]	1 620.7

[a] Inclusive of office buildings, workshop structures and warehouse structures provided by Italy.

III. Analysis of variances[1]

Reference

This section describes the single largest contributing factor of each resource variance according to specific standard options encompassed in the four standard categories listed below:

- **Mandate**: Variances caused by changes in the scale or scope of the mandate, or changes in the expected accomplishments as driven by the mandate
- **External**: Variances caused by parties or situations external to the United Nations
- **Cost parameters**: Variances caused by United Nations regulations, rules and policies
- **Management**: Variances caused by management actions to achieve planned results more effectively (e.g., by reprioritizing or adding certain outputs) or efficiently (e.g., by taking measures to reduce personnel or operational inputs while maintaining the same level of outputs) and/or from performance-related issues (e.g., by having underestimated the costs or quantities of inputs required to produce a certain level of outputs, or by delayed recruitment).

	Variance	
International staff	$1,811.0	62.7%

- **Cost parameters: revised salary scales**

7. The increased requirements are due mainly to an increase in international staff salaries based on standard salary costs effective 1 July 2004 and a proposed vacancy rate of 10 per cent as opposed to 15 per cent in the period 2003/04.

[1] Resource variance amounts are expressed in thousands of United States dollars.

	Variance	
National staff	$2,106.4	50.1%

- **Cost parameters: appreciation in the value of the euro**

8. The increased requirements are due mainly to an appreciation in the value of the euro as compared to the United States dollar.

	Variance	
Consultants	$192.0	384.0%

- **External: compliance with local regulations**

9. The increase is due mainly to the need to comply with Italian Government and Italian Air Force mandatory certification requirements for having all construction projects, including the asphalting of internal roads, the construction of hardstand areas, the upgrading of the storm water network and the upgrading of the electrical network, certified by a locally registered and certified professional.

	Variance	
Official travel	($22.6)	(6.9%)

- **Management: reduced inputs and same outputs**

10. The reduced requirements are mainly under travel for training, as more training programmes are organized in Brindisi, thus reducing the need for Logistics Base staff to travel abroad.

	Variance	
Facilities and infrastructure	$1,727.8	40.0%

- **Management: additional inputs and same outputs**

11. The increased requirements are due mainly to the acquisition of prefabricated structures as replacement for existing ones to accommodate the communication and information technology staff.

	Variance	
Ground transportation	$258.2	16.0%

- **Management: additional inputs and outputs**

12. The increased requirements are mainly for the preservation and maintenance of the strategic deployment stocks fleet of 1,190 vehicles to ensure that the vehicles are in a state of operational readiness.

	Variance	
Communications	($559.8)	(10.7%)

- **Management: reduced inputs and same outputs**

13. The reduced requirements are due mainly to the receipt of communications equipment and spare parts from a liquidated mission (the United Nations Mission in Bosnia and Herzegovina).

	Variance	
Information technology	$1,167.9	48.8%

- **Management: additional inputs and same outputs**

14. The increased requirements are due mainly to the replacement of equipment in line with the 25 per cent replacement policy.

	Variance	
Medical	$97.2	94.6%

- **Management: additional inputs and same outputs**

15. The increased requirements are due mainly to a revised realistic cost estimate for a vendor contract which includes warehousing, storage, equipment maintenance, rotation and inventory management of medical supplies.

	Variance	
Other supplies, services and equipment	($186.5)	(17.9%)

- **Management: reduced inputs and same outputs**

16. The reduced requirements are mainly under training fees, supplies and services, as most of the training programmes for the Logistics Base staff are organized in Brindisi.

IV. Adjustment in the amount to be prorated

17. In its resolution 56/289 of 27 June 2002 the General Assembly decided that requirements for the United Nations Logistics Base for the period from 1 July 2002 to 30 June 2003 would be financed as follows:

(a) The unencumbered balance of $1,562,400 and other income of $643,000 for the period from 1 July 2000 to 30 June 2001 would be applied to the resources required for the period from 1 July 2002 to 30 June 2003;

(b) The decrease in the staff assessment income of $148,100 would be set off against the unencumbered balance in respect of the financial period ended 30 June 2001;

(c) The balance of $12,087,800 would be prorated among the budgets of the active peacekeeping operations for the period from 1 July 2002 to 30 June 2003.

18. At the same time, the Assembly decided that there would be set off against the balance referred to paragraph 17 (c) above the estimated staff assessment income of $1,077,000 for the period from 1 July 2002 to 30 June 2003, to be prorated among the individual active peacekeeping operation budgets.

19. Resolutions concerning financing for peacekeeping missions for the 2002/03 budget period were based on the pro ration of $12,087,800 gross for the Logistics Base. The related staff assessment income for the Base totalled $1,077,000.

20. As a result, the decrease in staff assessment income of $148,100 which was not prorated among peacekeeping missions for the period 2002/03, needs to be applied to the amount to be prorated for the period from 1 July 2004 to 30 June 2005.

V. Actions to be taken by the General Assembly

21. **The actions to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base are:**

(a) **Appropriation of the amount of $28,799,700 for the maintenance of the Logistics Base for the 12-month period from 1 July 2004 to 30 June 2005;**

(b) **A decision to apply the balance of other income/adjustments of $3,173,700, as proposed in paragraph 13 (b) of the report of the Secretary-General (A/58/702), to the resources required for the period from 1 July 2004 to 30 June 2005;**

(c) **Application of the amount of $148,100, which was underprorated among the individual active peacekeeping operation budgets for the period from 1 July 2002 to 30 June 2003, to the amount to be prorated among the individual peacekeeping operation budgets for the period from 1 July 2004 to 30 June 2005;**

(d) **Proration of the amount of $25,626,000 among the individual active peacekeeping operation budgets to meet the financing requirements of the Logistics Base for the period from 1 July 2004 to 30 June 2005.**

VI. Summary of follow-up action taken to implement requests and recommendations of the Advisory Committee on Administrative and Budgetary Questions

(A/57/772/Add.9)

Request/recommendation	*Action taken to implement request/recommendation*
Further, the Advisory Committee notes that the Logistics Base has slowly emerged as a global hub for communications and information technology support for peacekeeping operations. Therefore, the Committee requests a comprehensive examination of the merit of transferring to the Logistics Base post and non-post resources of the support account earmarked for helping to meet the communications and information technology needs of peacekeeping operations, retaining at Headquarters only a few posts for policy and liaison functions (para. 22).	A comprehensive report examining the merits of transferring to the Logistics Base post and non-post resources is being prepared by the Secretariat and will be submitted to the General Assembly for consideration at its resumed fifty-eighth session.

Annex

United Nations Logistics Base organization chart and proposed additional posts (2004/05)